

INFORMATION REPORT
CONFIDENTIAL

COUNTRY

Austria/USSR

DATE DISTR. 8 April 1948

SUBJECT

Austrian Plans for the Reorganization
of the Austrian Electrical Industry

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1. At present, the large Austrian electrical firms enjoy the status of limited liability companies and have public administrators appointed by the Ministry for Property Control and Economic Planning. Minister Krauland on his own initiative appointed a committee to study all phases of the Austrian electrical industry, with a view to its nationalization. This committee consists of the following members:

From the Krauland Ministry:

Minister Krauland

Chief of Section Engineer Dr. Karl Straubinger

Professor Adamk, technical adviser to the Ministry, and professor at the Technische Hochschule in Graz

For the Trade Unions:

Secretary of State Karl Mantler (usually represented by Engineer Kotzik of Siemens-Schuckert)

Nationalrat Friedrich Hillegeist, president of the Union of Employees in Private Industry

Engineer Rupp of AEG-Union

Engineer Krejca of Siemens-Schuckert central office, Vienna I.

For the Chamber of Commerce:

Nationalrat Engineer Julius Raab, president of the Federal Chamber of Commerce

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Josef Ausweger, vice-president of Land Salzburg and president of the Land Salzburg Chamber of Commerce

Nationalrat Heinrich Ott, deputy head of the Lower Austrian Chamber of Commerce.

2. This committee has been occupied with the following two main problems: 1) the nationalization of Austrian electrical firms and 2) the creation of a new Austrian electrical company, to be established near Kapfenberg, Styria. Included in the nationalization plans are two of the three largest firms in Austria, Siemens-Schuckert and AEG-Union. The third firm, Elin A.G., is said to have been left out of the scheme since it allegedly represents for the most part large investments of British capital. At present, only the non-USIA parts of Siemens and AEG are being considered, although it is assumed that the plants presently held by USIA will also be included if a peace treaty is reached in London; these factories would then be returned to Austria by the Soviets. Those elements of Siemens-Schuckert remaining in Austrian hands at present are the central office and factory in Vienna I, Nibelungengasse, a small electric motor plant in Linz, another in Salzburg, Siemens-Reiniger and Siemens-Odelga. AEG has its two main plants in Vienna XXI which are in Soviet hands, leaving only the central office and a small workshop in Vienna III under Austrian control.
3. As of 6 March 1948, the plan for the establishment of the new company near Kapfenberg was reported complete. This company, named EMAG (Elektro-Maschinen A.G.), is intended to replace in the Austrian economy that part of the Austrian electrical industry now controlled by the Soviets through USIA. It is reported that Minister Krauland has already arranged with the Boehlerwerke in Kapfenberg for two large factory halls and several workers' dwellings owned by Boehler in the vicinity.
4. The planning committee mentioned in paragraph 1 above met on 6 March 1948 and elected the following board of directors for the new EMAG enterprise:
 - General Director Demner of the Simmering-Graz-Pauker A.G.
 - Director Fupp of AEG-Union
 - Director Johann Zehetner of Siemens-Schuckert
 - Professor Adamek, as representative of Styria and of Minister Krauland

In addition there will be three members, not yet named from the Austrian Government.

The new board of directors on the same day named the two managers for the new enterprise:

 - Director Brazda, formerly director of AEG
 - Prokurist Paul of Siemens-Schuckert, a close friend of Director Alfred Marquet of Siemens.
5. In order to make the plans cited above acceptable to the Austrian People's Party members of the planning committee (Chamber of Commerce representatives), it is envisaged that, if, for any reason, nationalization of the Austrian electrical industry, including EMAG, cannot be carried out, EMAG will then be operated as a private enterprise.

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6. Nothing is known about financial backing of EMAG, its manufacturing program, its scope of activities, or the date when manufacturing will begin.

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Comment: [redacted] unable to determine whether the EMAG plan will be carried through, should a treaty agreement be reached in London. It seems unlikely that the Austrian economy could support a large-scale duplication in the electrical field, which this plan would then represent.)

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